



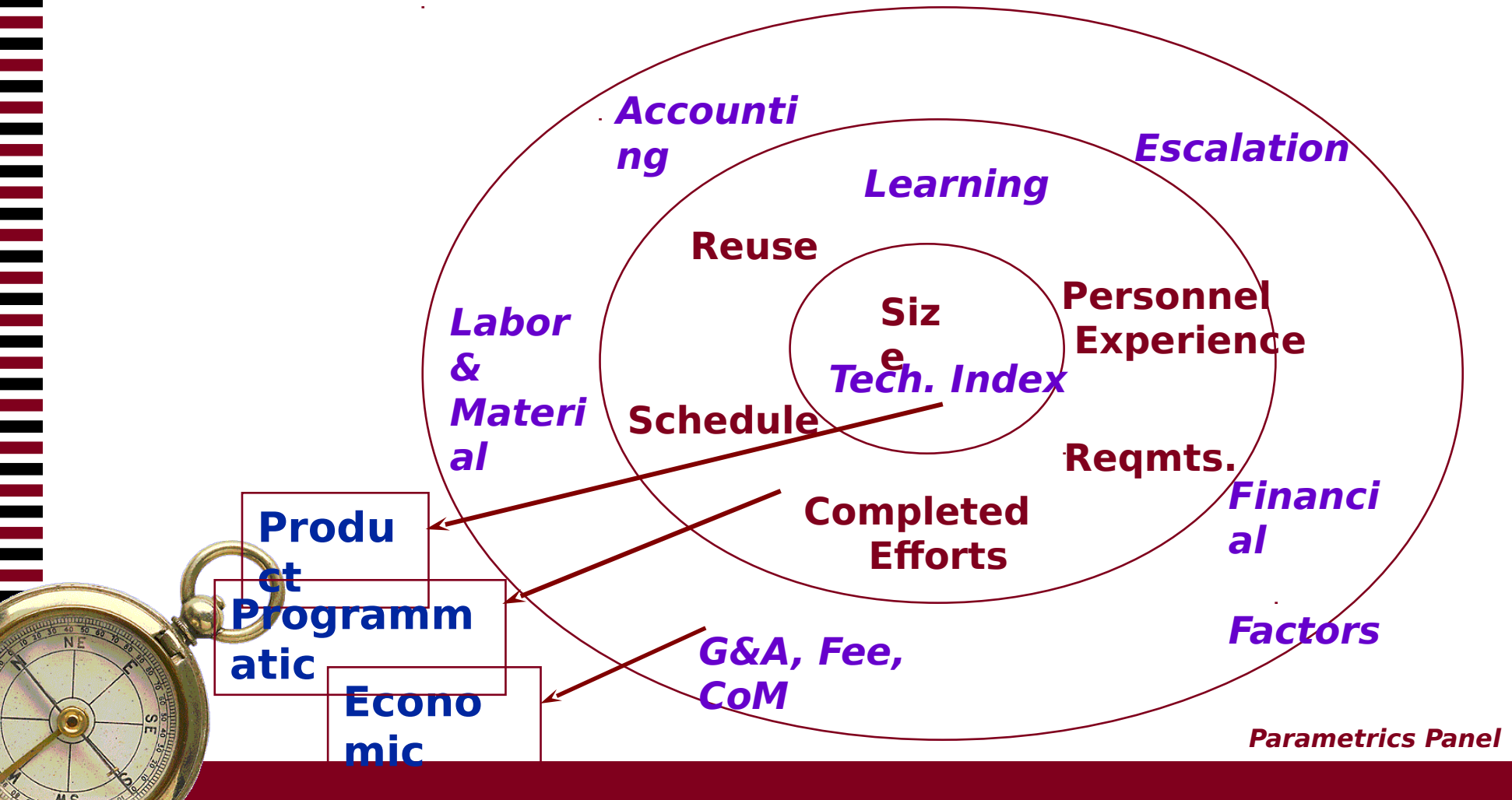
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Reality Ring Cost Model



Reality Ring Cost Model

Application

- General Application
 - AKA “Industry Average”
 - Apply Defaults to Selected Parameters
- Tailored Application
 - AKA “Calibrated”
 - Apply History to Selected Parameters
- Selected Parameters
 - Technology Indices



Reality Ring Cost Model

Doctrine

- Consistency Within Application
 - All Selected Parameter Set at Default;
 - All Selected Parameter Set Calibrated;
- Avoid Mixing Default & Calibrated Parameters.
- Calibration Not Always Possible;
 - Tailoring/Calibration is a Learning Process.

